RESTORATION AND REDEVELOPMENT OF THE BMI UPPER AND LOWER PONDS AREA CLARK COUNTY, NEVADA

FACT SHEET | MARCH 2006

SYNOPSIS

In 1941, the U.S. government deeded approximately 5,000 acres of empty desert in the southeastern quadrant of the Las Vegas Valley to become the site of the world's largest magnesium plant – a plant that played a critical role in World War II.

Some parts of the original property are still industrialized, and others have been used for the disposal of a variety of industrial and municipal effluents. Parts of the property have been abandoned or converted to other uses. Some areas have remained virgin desert.

Basic Remediation Company (BRC), working under the oversight of the Nevada Division of Environmental Protection (NDEP), will assess and remediate the old waste disposal ponds known as the Upper and Lower Ponds. These ponds and associated conveyance ditches comprise approximately 2,200 acres. The ponds are no longer in service and are drying out. The impacted area, together with adjacent property, totals approximately 2,200 acres.

Centex Homes will redevelop the entire site as a mixed-use, master-planned community which is planned to be within the boundaries of the City of Henderson, Nevada. This in-fill brownfield redevelopment, which will be remediated entirely using private funds, will restore a historically blighted area to a higher use. No public funds have or will be used for the assessment and remediation, which will be performed to conform with EPA and state standards for the intended land use.

LOCATION

The redevelopment site is located in the south-eastern quadrant of the Las Vegas Valley. It is bounded on the south by Lake Mead Parkway, on the west by Boulder



Highway, on the north by the Las Vegas Wash and on the east by Tuscany, another master-planned community.

With the rapid growth of Henderson, this area has become an in-fill site. Detailed topographic and geological maps of the site have been prepared by BRC and are available at the

Henderson Public Library. Geological and topographic maps of the surrounding Las Vegas Valley are available from the U.S. Geological Survey (Page and Langenheim et al., 2005).



REMEDIATION BACKGROUND

Beginning in 1991, Phase I and Phase II investigations were performed voluntarily under NDEP oversight. Tests revealed contamination of the soil with certain metals, radionuclides, pesticides, salts and asbestos. The contaminants are present in concentrations that may pose an unacceptable risk to human health and the environment if left in place as redevelopment of the property proceeds.

These investigations led to the NDEP's Record of Decision in 2001, which ordered that contaminated soils within and around the affected ponds be excavated and interred in a private landfill.

This Record of Decision selected an alternative by which soils would be transported "using a conveyor or alternative off-road conveyance system". Due to a variety of mitigating factors, it has become evident that this will not be feasible. BRC has revised the remedial alternative to transport soil over Boulder Highway in trucks. This minor modification requires approval from the Nevada Division of Environmental Protection, the Nevada Department of Transportation, and the City of Henderson.

This landfill, which will be owned by BRC, is to be constructed to U.S. Environmental Protection Agency standards for handling remediation wastes. It will include a Soil Vapor Extraction (SVE) system in order to extract volatile compounds that may be present in the vicinity of the landfill. The landfill will be located approximately 2.5 miles from the remediation area on property owned by BRC.

The NDEP chose this approach among five remedial alternatives, using the following general evaluation criteria:

- Overall protection of human health and the environment
- Compliance with all applicable state and federal regulations
- Long-term effectiveness and permanence
- Implementability
- Cost
- NDEP acceptance
- Community acceptance

THE CLEAN-UP

Excavation of the contaminated soils will begin upon NDEP approval of BRC's permit applications as well as permits required by any other agency. The remediation is planned to proceed seven days per week and is expected to take 18 months. The soils will be immediately transported to BRC's landfill, which will be lined, capped and monitored per EPA requirements. Its location, and the route to the landfill from the Upper and Lower Ponds area, is shown on the map below. The route is subject to NDEP approval.

As each section of the property is cleaned up, it will be subjected to a broad battery of analytical tests to ensure that any remaining contamination is minimal and does not pose unacceptable risks



for the intended use. As an additional safeguard, each home site will be tested again before residential construction begins.

Groundwater adjacent to the site is presently being remediated for perchlorate, hexavalent chromium and certain organic chemical contaminants. The groundwater under the site itself is being investigated and will be remediated if necessary. Based on this, this water is not and will not be used for drinking or for agricultural use.

COMMUNITY INVOLVEMENT

BRC has reported regularly to a Restoration Advisory Committee of interested stakeholders that was formed in 1999. The meetings of this committee are held quarterly and are open to the public. BRC will continue to update the committee on its progress while it works closely with the City of Henderson and with NDEP to ensure that the clean-up meets all state and local standards. In addition, BRC has prepared a Community Involvement Plan (CIP) to guide this project.

INFORMATION SOURCES

Details of the restoration and redevelopment project, notices of public meetings and other information can be found at the following website: www.landwellco.com

Maps, reports, photographs, plans, applications and associated documentation are available for public inspection at the BMI Document Repository, which is located at the Henderson Public Library, 280 Water Street, Henderson, Nevada.

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